

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05  
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00  
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01  
L-03 H-01 PA-01 PRS-01 ITC-01 AGRE-00 /100 W  
-----160453Z 042621 /13

R 151035Z MAR 77  
FM AMEMBASSY BUDAPEST  
TO SECSTATE WASHDC 8089  
INFO AMEMBASSY BERLIN  
AMEMBASSY BUCHAREST  
/AMEMBASSY MOSCOW 2181  
AMEMBASSY PRAGUE  
AMEMBASSY SOFIA  
AMEMBASSY WARSAW  
USMISSION GENEVA  
USMISSION NATO

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E.O. 11652: N/A  
TAGS: EEWT, ETRD, HU  
SUBJECT: ANTI-DUMPING AND COUNTERVAILING DUTY REGULATIONS

REF: (A) WARSAW 1772, (B) BUDAPEST 0596

1. EMBASSY BUDAPEST WOULD LIKE TO ASSOCIATE ITSELF WITH  
AMBASSADOR DAVIES' REQUEST FOR LONG, HARD LOOK AT HOW USG  
MIGHT APPROACH FLEXIBLY PROBLEM OF PROTECTING DOMESTIC  
BUSINESS INTERESTS WHILE AT THE SAME TIME MAINTAINING SOME  
SEMBLANCE OF DESIRE TO INCREASE TRADE WITH EASTERN EUROPE.

2. THIS SMALL COUNTRY (HUNGARY) HAS HAD NO GOLD-CART  
CASES AND IS UNLIKELY TO CAUSE SERIOUS PROBLEMS IN ANY  
SECTOR, BUT GOH HAS COMMITTED ITSELF TO INCREASING BY 1980

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ITS SHARE OF TRADE WITH WEST TO 50 PERCENT OF TOTAL. IN  
A COUNTRY WHERE FOREIGN TRADE IS SUCH A SIGNIFICANT PART  
OF GNP (BY SOME ESTIMATES 40 PERCENT), THIS HAS REQUIRED  
MAJOR DECISION COMMITTING GOH BOTH POLITICALLY AND  
FINANCIALLY, AS IT ALLOCATES RESOURCES.

3. HUNGARIANS ARE BECOMING INCREASINGLY SKEPTICAL OF

U.S. DESIRE TO EXPAND ECONOMIC RELATIONS WITH EASTERN EUROPE. THEY HAVE EXPRESSED THIS SKEPTICISM AT ALL LEVELS AND QUESTIONED DUPUTY ASSISTANT SECRETARY OF COMMERCE DOWNEY VERY CLOSELY IN LATE 1976 REGARDING U.S. INTENTIONS. MAGYARS CONSIDER THEMSELVES AS FAIR, FREE-TRADERS UNDER GATT RULES. THIS IS OBVIOUSLY NOT THE CASE, BUT EMBASSY BELIEVES USG MUST SEEK TO DEAL WITH PROBLEMS WHICH MAY ARISE IN PRAGMATIC MANNER DESIGNED TO OBTAIN RESULTS ON CASE-BY-CASE BASIS IF WE ARE NOT TO DISCOURAGE THE HIGHEST LEVELS OF THE HUNGARIAN GOVERNMENT FROM ACCEPTING ADVICE FROM SOMEWHAT-MORE WESTERN-ORIENTED TECHNOCRATS. THE 1976 TEXTILE AGREEMENT, FOR EXAMPLE, LENDS SUPPORT TO IDEA THAT MAGYARS WILLING TO DISCUSS SERIOUSLY MARKET DISRUPTION WHILE GETTING THEIR BACKS UP OVER UNILATERAL (AND UNPREDICTABLE) USG ACTIONS. FOR INSTANCE, HUNGARY WAS JUST ENTERING SHOE MARKET (AT SOME EXPENSE) WHEN ENTIRE QUESTION REOPENED AGAIN IN LATE 1976.

5. IN SUM, WHILE EMBASSY RECOGNIZES THAT TECHNICAL ASPECTS AND RELATIONS WITH U.S. BUSINESS COMMUNITY AND CONGRESS COMPLEX AND REQUIRE BALANCING OF INTERESTS, WE WOULD LIKE TO NOTE THAT PROPOSED CHANGES TO COUNTER-VAILING DUTIES, REOPENING OF SHOE ISSUE, AND CONTINUED LACK OF MFN HAVE RESULTED IN SOME SKEPTICISM ON PART OF MAGYARS THAT USG IS SERIOUS ABOUT DOING BUSINESS ON A RECIPROCAL BASIS. EVEN IF THIS IS NOT THE CASE, OUR LONG-TERM, LARGER INTERESTS IN EASTERN EUROPE DEMAND THAT WE DISPEL THIS NOTION.

MUDD  
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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EAST WEST TRADE, COUNTERVAILING DUTIES, ANTIDUMPING LAW (TRADE)  
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**Copy:** SINGLE  
**Sent Date:** 15-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BUDAPE00831  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770089-0642  
**Format:** TEL  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** adfa80b7-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 WARSAW 1772, 77 BUDAPEST 596  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 24-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** ANTI-DUMPING AND COUNTERVAILING DUTY REGULATIONS  
**TAGS:** EEWT, ETRD, HU, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/adfa80b7-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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